United Nations A/59/631

General Assembly

Distr.: General
20 December 2004

Original: English

Fifty-ninth session
Agenda item 115
Joint Inspection Unit

Delegation of Authority and Accountability Part II: Series on Managing for Results in the United Nations System

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report of the Joint Inspection Unit entitled "Delegation of authority and accountability: part II of the series on managing for results in the United Nations system" (JIU/REP/2004/7).

04-66325 (E) 060105

JIU/REP/2004/7
ORIGINAL: ENGLISH

DELEGATION OF AUTHORITY AND ACCOUNTABILITY

PART II

SERIES ON MANAGING FOR RESULTS IN THE UNITED NATIONS SYSTEM

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Geneva
2004

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ACRONYMS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
CEB	United Nations System Chief Executives Board for Coordination
FAO	Food and Agriculture Organization of the United Nations system
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
ILO	International Labour Organization
ILOAT	ILO Administrative Tribunal
IMF	International Monetary Fund
IMIS	Integrated Management Information System
ITU	International Telecommunication Union
JIU	Joint Inspection Unit
KIMRS	Key Item Management Reporting System
OECD	Organisation for Economic Co-operation and Development
OIOS	United Nations Office of Internal Oversight Services
RBB	Results-based budgeting
RBM	Results-based management
UNAT	United Nations Administrative Tribunal
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNOPS	United Nations Office for Project Services
UNSSC	United Nations System Staff College
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization

I. INTRODUCTION

1. As indicated in Part I of this report, a major focus of the recent drive to reform United Nations business practices has been the progressive introduction of results-based budgeting (RBB) techniques by most organizations of the United Nations system. An early review of the experience of the organizations with RBB can be found in a 1999 report of the Joint Inspection Unit (JIU), which identified "a growing common understanding of, and strong support for, the use of RBB techniques as a tool to achieve increased budget transparency and accountability by focusing on results and using performance indicators to link performance with the budget."[1] In the five years or so since this report was issued, the results-oriented approach has been carried further, more so in some organizations than in others, the objective being a system of results-based management (RBM) that embraces every facet of business operations.

2. Particularly important is the application of such a system to the existing structures for the management of human resources, which equally require reforming if they are to be conducive to a genuinely results-based approach. Based on their analysis, the Inspectors have identified the specific issues of delegation of authority and accountability (discussed below), and performance management and contractual arrangements (discussed in Part III) as key to the development of a solid RBM system, with common threads running across these four aspects of human resources management. They are conscious, however, that other issues, such as mobility, recruitment and staff development, which are only tangentially discussed in this report, also impact individual and organizational performance.

3. Important reforms have in fact been launched in the field of human resources management in the last decade by the majority of United Nations organizations, and in 2000, the International Civil Service Commission (ICSC) adopted a Framework for Human Resources Management to enable it to establish effective human resources policies and link these with organizational goals.[2] While it would be premature to attempt to evaluate the impact of these recent reforms, the Unit is hoping to contribute to the implementation of changes proposed by submitting here, as it has done in Part I, a list of critical success factors through which the concepts developed in recent years, and in particular those outlined by the ICSC in its Framework, can be made operational, and on which the development of a genuine framework for delegation of authority and accountability can be founded.

4. The same format has been selected to present in boxes specific examples of policies, processes or practices that appear to encompass one or several of these success factors. The main challenges and difficulties faced by some of the organizations in trying to implement these new policies are also discussed. The benchmarks thus identified in this and other parts of the report have been presented in the overview issued separately. Generally, as this second part of the report was prepared concurrently with the first and third, the methodology applied in its research and drafting is the one described in the overview document. In particular, an early blueprint of this text was submitted for discussion at a working meeting held in June 2004 which was open to all relevant officials of the Unit's participating organizations, most of which were represented. The active and constructive participation in this meeting was an important factor in the completion of this benchmarking framework.

5. The Inspectors wish to thank all those who have contributed to the report.

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[1] JIU/REP/99/3, conclusion E.
[2] A/55/30.

II. DELEGATION OF AUTHORITY

6. Delegation of authority is a prerequisite for the successful implementation of results-based management. To be accountable for results, managers have to be duly empowered through the clear delegation of authority in all areas, including, and in particular, human resources management. These issues have been discussed previously in some detail in a JIU report on delegation of authority in human and financial resources in the United Nations, the recommendations of which were endorsed by the United Nations General Assembly.[3] More generally, the ICSC Framework highlights the need to empower staff to participate in decisions affecting the organization as one of the principles underlying the management style that is required for good governance.[4]

7. The primary objective of delegation of authority is to foster a more efficient use of resources and facilitate the emergence of more agile and responsive organizations, thus enhancing overall performance. Because performance improves when the people who are closest to the work have managerial authority and responsibility delegated directly to them, leading private sector organizations ensure that internal processes provide managers with the authority and flexibility they need to contribute to the organization's mission. As noted previously by JIU, recent years have also witnessed a marked trend in public administrations towards the creation of a more trusting and less restrictive management style through greater delegation of authority to line managers. What is advocated is no longer the delegation of authority to managers for the sake of expediency that has always existed for a number of administrative procedures, but rather a complete change in management systems.[5]

8. It is necessary to make a distinction at the outset between genuine delegation of authority, which means the devolution of decision-making powers, and decentralization, which can be understood as merely the distribution of administrative responsibilities among the units of a secretariat in various geographical locations. While in United Nations organizations, long characterized by centralized command, delegation of authority has in fact often been linked to decentralization and has been mostly applied by those organizations that have a strong field presence, the principles that underlie it are equally valid at headquarters offices and should apply there.

What are the critical success factors for delegation of authority?

A. The vertical chain of command

9. In most organizations of the United Nations system, the vertical chain of command, from the legislative bodies through the executive head downwards through the whole of the secretariat in a cascaded structure, can be clearly traced. The overall authority and responsibility of the executive head as chief administrative officer of the organization is spelled out in its charter or constitution or equivalent legal document which may also specify that the executive head may delegate part of that authority to the next level in the chain of command. However, when appointments to other high-level posts in the organization–in addition to that of the executive head–are through a process of election by the legislative bodies, the chain of command can become blurred and ambiguous. This is the case in the International Telecommunication Union (ITU) where the five highest-level officials are elected by the Plenipotentiary Conference, while in the World Health Organization (WHO), the appointments of the Director-General and the six Regional Directors are also made through the legislative bodies.

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[3] JIU/REP/2000/6; General Assembly decision 55/481 of 14 June 2001. A/55/49, vol. III, page 97.
[4] *Official Records of the General Assembly, Fifty-fifth session, Supplement No. 30*, document A/55/30, annex II.
[5] JIU/REP/2000/6.

10. Excessive control and approval mechanisms and micromanagement are obstacles to the change over to a results-based management culture. Existing regulations and rules would therefore need to be revised to accommodate the reforms.

Benchmark 1

The vertical chain of command is clear and unambiguous.

B. Determination of the authorities to be delegated

11. Traditionally, managers in United Nations organizations have not been encouraged, and have been reluctant, to fully manage their staff, and Human Resources offices have had to devote most of their resources to doing it for them instead of focusing on strategic issues. There is however a trend in some organizations towards giving managers more say in the use of human resources and in particular in the selection of candidates, as illustrated below.

At the United Nations, a new staff selection system was introduced in 2002 with the expressed objective of changing the culture of the Organization by further empowering staff and managers to discharge their responsibilities and holding them accountable for their actions and their results.[6] The administrative instruction issued to implement the system indicates clearly that programme managers are responsible not only for preparing the evaluation criteria for the post, but also for evaluating the candidates and proposing, through the head of the department/office, a list of qualified, unranked candidates found suitable for the functions. Whereas in the past, joint review bodies reviewed individual cases and endorsed managers' recommendations or substituted other candidates, in the new system, the review bodies only assess whether the proposed candidates were evaluated on the basis of the pre-approved evaluation criteria and the applicable procedures followed. The head of the department/office can then select any one of these candidates.[7] Although it is too early to assess its actual impact, the new system can be regarded as the first genuine attempt at the United Nations to place squarely on heads of department the responsibility for selecting candidates.

At the **International Labour Office (ILO)**, the new human resources strategy identifies line manager responsibility and accountability for recruitment decisions as an important criterion in the recruitment and selection process.[8] A collective agreement on resourcing procedures, signed in 2000, gives more power to line managers in this regard. It established a comprehensive procedure for recruitment and selection in which the line manager has responsibility for the technical evaluation of the skills, professional expertise and experience of the eligible candidates for a given vacancy, and for making a recommendation to the Director-General who takes the final decision.[9]

12. As managers are given new authority, careful consideration must be given as to what is the optimum level of delegation. At the United Nations, for instance, staff associations and a number of programme managers consider that while there has been significant progress in

[6] United Nations Secretary-General's bulletin, ST/SGB/2002/5.
[7] United Nations Administrative instruction, ST/AI/2002/4.
[8] "Results through development: a new personal and career development agenda for the ILO", GB.276/PFA/16, para. 20.
[9] "Collective agreement on resourcing procedures", GB.279/PFA/12, appendix V.

recent years, devolution has gone as far as possible. They point out that while delegation of authority can be made at the departmental level, problems will arise if authority is delegated further to the intra-departmental level. Others, however, consider that there remain significant opportunities for further delegation of authority to programme managers.[10]

13. On the other hand, some programme managers still fear that they are being given responsibility for some tasks, without related authority, and that administrative tasks are being shed onto substantive departments under the guise of delegation of authority. As noted above, while delegation of authority may indeed have been associated at times with the decentralization of administrative tasks to administrative support units placed in substantive departments (such as Management Support Units in the WHO or Executive Offices at the United Nations), it is important to make a clear distinction between the simple de-location of administrative support and genuinely placing more decision-making powers in the hands of line managers.

14. It may also be the case that what is labelled as delegation of authority amounts to no more than delegation of signature. In the former, there is a transfer of responsibilities in a given sphere of action from one administrative authority to another, whereas in the latter, the authorized representative simply takes decisions in the name of the delegator. The distinction between delegation of authority and delegation of signature has been discussed extensively in the secretariat of the ITU as part of an exercise to clarify delegation issues and update administrative instruments.[11] However, this discussion is relevant to all organizations moving to RBM, and it should be recognized that the limitations inherent in delegation of signature are an impediment to genuine devolution of decision-making powers.

15. The risks associated with delegation of authority include potential losses of economies of scale and decreased consistency in the implementation of organizational policies. Some organizations are hesitant to delegate authority with regard to recruitment, because it might make implementation of corporate policies (on geographical distribution, gender balance or spouse employment, among others) more difficult. Even when targets are agreed upon at the departmental level for certain human resources areas, they may become difficult to reach if the head of each office/division/branch within the department is free to make selection decisions. Staffing decision-making by managers may also be difficult to reconcile with the operational requirements of mobility, particularly in field-based organizations that follow strict rotation policies such as the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP).

16. In several organizations, therefore, ultimate authority for the selection of candidates, in particular in the Professional category, remains in the hands of the executive head. It should be noted that governing bodies are themselves reluctant at times to relinquish authority to heads of secretariats in matters of recruitment, or have even restricted this authority, either by setting up an increasing number of legislative targets or questioning individual choices made by secretariats. Genuine delegation for the management of the organizations' human resources must cascade down from the very sources of authority, namely the governing bodies, through the executive heads to heads of departments and line managers, and there must be a clear political commitment at all levels in favour of such delegation.

Benchmark 2

Delegation of authority is clearly determined.

[10] See the United Nations Office of Internal Oversight Services' (OIOS) assessment in "Review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures", A/58/211, para. 35.
[11] JIU/REP/2001/3, paras. 53-57.

C. Documentation of delegation of authority

17. Efforts have been undertaken in recent years by many organizations to update and simplify their staff rules and regulations as well as their financial rules and regulations. However, delegations of authority are still often described in a plethora of other administrative instruments, in addition to these rules and regulations, through which managers and staff must sift. Concern was repeatedly expressed to Inspectors by officials they met that there might be too much guidance provided to managers rather than too little.

18. Some secretariats have endeavoured, therefore, to sum up in one single document the authority delegated to certain types of offices. This has been the case at the Secretariat of the Food and Agriculture Organization (FAO), for instance, where respective responsibilities and lines of command for organizational units in all locations were clarified in 1999 through the issuance of a "Circular on Responsibilities and Relationships".[12] The Operations Department (OD) of WFP also issued an Executive Order in 2000 entitled "Guidelines for model structure, unit definitions, distribution and allocation of functions, functional statements, workflow and delegation of authority for the OD Bureaux" to provide overall guidance and address the need for clearer definition of the Operations Department decision chain following the launch of its programme of organizational change.[13] At WHO in 2003, the Department of Human Resources Services compiled in 2003 a "List of Delegation of Authority relating to WHO Staff Rules and Human Resources". However, the Inspectors found that the effort of UNESCO in this regard is particularly noteworthy.

> The Director-General of **UNESCO** issued in 2002 a Note entitled "Delegation of Authority to Field Offices", stressing that "staff delegated with a particular authority need to know what they are accountable for and staff who delegate the authority need to have the same understanding of what they expect from the staff to whom the authority is delegated".[14] **A Table of Authorities and Accountabilities,** compiled by the Internal Oversight Service, is attached to the Note. The Inspectors found the table to be a very useful recapitulative instrument, which clarifies the authorities of field offices in relation to headquarters, and explains the accountabilities related to each authority. Work is now in progress to develop an organization-wide Table of Authorities, which will combine the field office and headquarters authorities into one framework.

19. Such comprehensive documents should, as appropriate, be complemented by individual delegation orders, describing unambiguously the specific responsibilities assigned, and concomitant authority delegated, to heads of departments or offices. For instance, at the United Nations, these typically take the form of a Secretary-General's bulletin. The equivalent instrument at ITU is the Service Order.[15] All instruments of delegation must be systematically disseminated, as well as reviewed periodically for clarity and consistency.

20. It is important, although not always possible, that in the case of officials with the same grade to whom authority is delegated for the use of human resources, there should be consistency in the level of authority delegated. The Inspectors have noted several instances, particularly in the decentralized networks of specialized agencies, where authority delegated to managers at the same level or with the same functional title varies, leading to confusion

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[12] FAO, OCD/99/22.
[13] OD/2000/004, 10 November 2000.
[14] UNESCO, DG/Note/02/11, 21 May 2002.
[15] A Service Order is defined as "a prescriptive administrative action which constitutes an integral part of the organization's internal legal order and gives rise to rights or obligations for all or some of the staff" (Service Order No. 00/1, para. 2.2).

and resentment. There have also been cases where a supervisee has more delegated authority than his/her supervisor, resulting in a confusion of accountabilities.

Benchmark 3

Delegation of authority is clearly defined in general administrative instruments and/or individual delegation orders, and is consistent.

D. Management information systems

21. Management information systems (MIS) are not always in place to support the delegation of authority. Though many organizations are developing integrated management information systems with the objective of optimizing administrative and financial processes and better accounting for human and financial resources,[16] there has been a tendency to concentrate initially on the development of the financial MIS components. Many organizations still rely on legacy systems for Human Resources (FAO, ITU, United Nations Educational, Scientific and Cultural Organization (UNESCO), UNHCR, United Nations Industrial Development Organization (UNIDO) and WHO, for example). Those that are in place are often modelled on the financial MIS rather than on Human Resources business needs and may not include modules that are crucial to human resources management, such as performance management or staff development. Some of these organizations acknowledge the gap existing between their data management needs in the field of human resources management and the data management systems that have been developed. In addition, earlier systems, such as the United Nations integrated management information system (IMIS), are based on older technology, which cannot support the type of information generated by newer database software such as Galaxy or e-PAS.

22. The issue of the timing of the launch of new management information systems is crucial. In several cases, the launch of new information systems has been delayed pending the streamlining of administrative processes and redefinition of authorities. In others, new administrative processes and delegation have been decided upon which have later been shown to be incompatible with new applications or information technology systems. Both must be undertaken at the same time.

> The United Nations Development Programme **(UNDP)** notes that the introduction of the **PeopleSoft** system, which includes control mechanisms, will allow authority for the certification of routine transactions to be clearly delegated to the level at which the transaction is actually carried out. Managers will only need to review exception reports on a regular basis.

Benchmark 4

Adequate management information systems support the delegation of authority.

E. Access to information

23. Managers must have constant and immediate access to up-to-date information on rules, regulations, policies and procedures relevant to the management of their human resources. While all United Nations organizations have posted a significant number of administrative

[16] JIU/REP/2002/9.

documents on their Intranets, as well as disseminated them on CD-ROM in some cases, they have not yet all developed on-line administrative handbooks with advanced search functions.

> At the **United Nations,** an electronic **Human Resources Handbook** was launched in 2000 and made available to all staff in 2001 through the Intranet and Internet. The Handbook, which provides access to all administrative rules and procedures, including all relevant administrative issuances and circulars, also gives staff electronic access to, and the ability to complete on-screen, more than 150 forms used for administrative purposes. The subject index allows easy retrieval of information.
>
> In the context of human resources management reform, **UNICEF** has updated its Human Resources Manual and it is now available online.
>
> Similarly, the Department of Human Resources Services at **WHO** has included in its activities planned for 2004-2005 the development of a "**Human Resources e-Guide**".

24. It is important that administrative documents and guidelines be updated very regularly to reflect new policies and changes in delegations. The Inspectors have noted several cases where efforts by secretariats to update their administrative manuals have dragged on for several years, often for lack of dedicated resources, and where obsolete documents are still provided to managers for reference. The responsibility and necessary resources for updating manuals should be assigned to a central administrative service.

25. Managers should also have immediate access to comprehensive information on the status of the staff they supervise, enhancing transparency and communication.

> **WIPO HR-View**, a new electronic tool for staff management in the World Intellectual Property Organization (WIPO) was introduced in 2002, and gives individual managers, on a controlled access basis, up-to-date online information on the status of the human resources that they supervise. The application was extended in 2004 with the addition of a new reporting tool at the unit level for staff absences and overtime, with direct links from the new reports to individual staff information.

Benchmark 5

Managers are empowered through adequate access to information.

F. Central support services

26. The role of central support services in providing both common administrative services and advisory services, as well as monitoring services (discussed in chapter III (F) below), is crucial in a system of results-based management. By providing help desks in each administrative area (human resources, financial, legal, information technology, etc.), central support services can give managers access to a large body of knowledge, as well as advice and guidance, to support their decision-making. Indeed, well-functioning help desk services could assume some of the functions currently assigned to the various executive offices or equivalent units at departmental level, resulting in savings, efficiency gains and more coherence in the implementation of the financial and staff regulations and rules.

27. The successful implementation of delegation of authority will thus depend to a large extent on the efficiency of the support provided to individual managers, both by administrative staff assigned under their supervision and by central administrative services. This is particularly true of managers in the field, who often feel isolated and lack guidance. Some organizations have decentralized some of their Human Resources services to regions so as to provide closer guidance to managers and staff in offices away from headquarters.

28. A review recently conducted in the Regional Commissions of the United Nations concluded that while there was a need for further delegation from headquarters to the Commissions' executive secretaries and chiefs of administration, the current level of delegation within the Commissions to substantive programme managers was adequate and did not call for change. In fact, the structure of substantive divisions in Regional Commissions, where division directors are tasked with managing staff as well as producing substantive outputs, did not allow for additional delegation which would increase their administrative burden, which some already considered excessive.[17]

29. This finding underlines the fact that what programme managers require, first and foremost, is timely and high-quality support from common administrative services and help desks. Such services should be reasonably centralized so as to acquire the critical mass needed for cost efficiency and a sufficient level of expertise, but not so centralized as to become unaware of, and insensitive to, the specific needs of individual managers.

> **UNICEF** has established supportive structures for managers in the field, such as the convening, three times a year, of **Regional Management Team** meetings, where all representatives in a particular region can discuss management issues. It has also placed regional human resources officers in Regional Offices to guide and monitor human resources decisions taken locally by representatives.

30. Similarly, in line with UNHCR policy to move operational decision-making closer to the field, the organization's Division of Human Resources Management established, in 1999/2000, out-posted Human Resources Units to support the then regional directorates in one of the regions. An audit conducted in 2003 by the United Nations Office of Internal Oversight Services (OIOS) found that the decentralization of Human Resources functions at UNHCR had many benefits, the main one being the proximity of Human Resources staff to field operations. This allowed more personal contact with staff, and greater Human Resources involvement in addressing staff concerns as well as assisting in administrative activities.

31. The audit also found, however, that several personnel administrative functions still required headquarters' approval and were simply channelled through the out-posted Human Resources units, adding to the overall processing time. In addition, to ensure that staff at the out-posted Human Resources units were kept up-to-date with the latest policy developments and strategies, monitoring, training and general support from headquarters was required, which was not forthcoming because of budgetary and resource constraints.[18] As a result, the out-posted Human Resources Units have since been brought back to headquarters. Organizations must carefully weigh, therefore, the benefits associated with decentralizing Human Resources support services or providing central support functions through help desks that can easily be accessed from the field.

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[17] The Sub-Group on Regional Commissions to review delegation of authority was established as part of an Inter-Office Steering Committee pursuant to Action 32 of the Secretary-General's agenda for further change, A/57/387, which required, inter alia: "a thorough review…of delegated authority in order to increase the capacity … of managers to manage the resources allocated to them". The Sub-Group was composed of representatives of the five Regional Commissions and coordinated by the Economic Commission for Latin America and the Caribbean.

[18] AR2003/601/10, 30 October 2003.

Benchmark 6

Managers are empowered through adequate support services and help desks.

G. Managerial competencies

32. Over the years, many organizations have promoted good specialists or technical experts to managerial positions for which they were not necessarily prepared or well-suited. Since then, it has been recognized that the effective discharge of managerial functions requires specific competencies beyond a sound knowledge of the technical or substantive area concerned. Some organizations have attempted to define precisely what these management competencies are, generally within the wider framework of developing broad competencies for their staff.

Following a participatory process involving staff at all levels and in all geographical locations of the Secretariat, the **United Nations** identified, in 1999, organizational core values and core and managerial competencies, which include the following key competencies for its managers: leadership, vision, empowering others, building trust, managing performance and judgement/decision-making.

The secretariat of **WHO** has developed a "Global Competency Framework" issued in 2004 that lists management competencies as: creating an empowering and motivating environment; ensuring the effective use of resources; and building and promoting partnerships across the organization and beyond.

As part of its new performance assessment policy, to be launched in 2004, **UNESCO** has defined the following 11 competencies for senior managers: vision and strategic thinking; mobilizing resources; building partnerships; managing people; team building; innovating; decision-making; communicating and advocating; achieving results; driving and managing change; learning and knowledge-sharing.

UNDP has developed the following competency profile for its Leadership Development Programme (LEAD): leadership; responsibility and teamwork; people skills and sensitivity to diversity; partnering and networking; results orientation; innovation and judgement; communication; conceptual and analytical skills. UNDP has also developed a Resident Coordinator Competency Framework that lists the following competencies expected of resident coordinators: implementing the vision; strategic perspective; influence to action; building and maintaining relationships; developing team commitment; communication; managing conflict and stress; organizing and coordinating; flexible decision-making and analytical judgement.

In the context of its Career Management System, **UNHCR** has identified the following managerial competencies: strategic planning; leadership; managing performance; coaching and developing staff; managing resources; political and organizational awareness.

UNIDO has identified 14 managerial competencies and a clear description of each is set out in a booklet issued by the Human Resources Management Branch in 2002.

The competency framework of the United Nations Population Fund (UNFPA) distinguishes between four clusters of core competencies, which apply to all staff of the organization, and a range of functional competencies, which apply to all staff within a given functional stream. It does not identify a separate cluster of managerial competencies.

WFP has just completed work on, and is implementing, a Competency Framework for staff at all levels, including a set of separate competencies for managers.

33. Although the exact wording and categorization of managerial competencies may vary slightly from one organization to another, taking into account the specific needs and mandates of each, these variations reflect differences in emphasis rather than real disparities, and the skills and behaviours required of managers throughout the United Nations system present striking commonalities. However, it can also be argued that managerial style is personal and cultural, and the Inspectors have some concerns that the approach taken by the organizations in defining managerial competencies may not have taken sufficient account of cultural diversity among potential managers.

34. The ICSC has established six core management competencies for a potential Senior Management Service (SMS), and officials have been working through the Human Resources Network of the United Nations System Chief Executives Board for Coordination (CEB) towards the establishment of such a Service, with a view to "strengthening managerial and leadership capacity as an integral step in improving organizational performance". Incumbents of positions in the SMS would typically be responsible for leading significant programmes and activities and/or for the provision of high-level policy advice.[19] The Inspectors recognize that there is growing support for this concept, and that many issues still need to be clarified by the CEB before concrete proposals can be presented to the legislative organs.

Benchmark 7

Managers demonstrate required competencies.

H. Management training

35. It should also be noted that many of the senior positions in United Nations organizations are to become vacant in the next decade as a generation of managers retires. Thus, personnel statistics compiled by the CEB secretariat show that as of 31 December 2002, 34.4 per cent of all staff at the P-5 level in United Nations organizations, 48.8 per cent of staff at the D-1 level and 58 per cent of staff at the D-2 level were aged 55 or more.[20] While this provides a good opportunity for the rejuvenation of the organizations' human resources, it also means that large numbers of staff members will be promoted from non-managerial to managerial positions in the next decade and that many others, coming from varied professional backgrounds and cultures, will be joining the organizations to manage programmes and people. Specialized training will need to be provided to both groups to ensure the adequate development of the managerial competencies identified by each organization.

[19] ICSC/55/R.2; CEB/2003/HLCM/11.
[20] "Personnel statistics", CEB/2004/HLCM/15.

Most organizations of the United Nations system have developed specialized management training programmes in recent years, or are currently developing pilot programmes.

- **United Nations**: People Management Training Programme.
- **UNDP**: Leadership Development Programme (LEAD); Management Development Centre (piloted 2003).
- **UNFPA**: Management Learning Programme (planned).
- **UNHCR**: Management Learning Programmes.
- **UNICEF**: Leadership Programme.
- **WFP**: Senior Management Training Programme.
- **IAEA (International Atomic Energy Agency)**: Management Certificate Curriculum.
- **ILO**: Management and Leadership Training and Development (pilot planned).
- **UNESCO**: Leadership and Change Management Programme.
- **WHO**: Global Management and Leadership Development Programme.
- **ITU**: Management Certification Programme (planned).
- **UNIDO**: Management Competencies Development Programme and Professional Excellence Programme.

36. A recent study by the Board of Auditors found that in the United Nations Secretariat in 2002, 17 per cent of the training participants were engaged in leadership and management supervision courses, while in UNHCR in 2001, 10 per cent of participants were in management learning programmes, and in UNICEF in 2001, the leadership programme took 18 per cent of training expenditures.[21] However, such data is not, in general, easily accessible and there are also shortcomings in monitoring, evaluation and reporting on training programmes overall. The Board of Auditors recommended, inter alia, that United Nations organizations further develop training evaluation in order to assess the impact of training in a more structured manner.[22] In the one evaluation of a management training programme in a United Nations organization that they came across, the Inspectors noted that participants believed that the programme had a significant impact on their own management behaviour, and that this impact was greatest with regard to delegation, effective meetings, coaching, teamwork and time management. Most participants also reported seeing some examples of improvements in the management practices of other people who had followed the programme.[23]

37. It may in fact be difficult to fully assess the real impact of other such staff development programmes, which seek to alter the very culture of the organizations concerned, as they might not reap benefits for a number of years. Therefore, instead of limiting their reach to the most senior staff, as has been done in some organizations, it may be more effective to also target officials in middle-management positions who are likely to progress to senior ranks in the next few years. Managerial development programmes, however, normally require organizations to resort to costly external expertise, and budgetary constraints on overall staff development funds naturally limit their scope.[24] At UNHCR, for instance, it is estimated that US$ 1.5 million was spent in the development and delivery of the management learning programmes between their inception (in 1999) and mid-2003, which constitutes an average

[21] "Report of the Board of Auditors on the management of staff training at the United Nations, its funds and programmes", September 2003, para. 113 chart.
[22] See footnote 21 above, paras. 268-269.
[23] UNHCR Evaluation and Policy Analysis Unit "Review of UNHCR's Management Learning Programmes", July 2003.
[24] The CEB secretariat estimates that the percentage of annual salaries/wages bill spent on training in the United Nations system as a whole is only 1 per cent.

expenditure of US$ 1,830 per participant.[25] The cost of the management training programme at ILO was budgeted at US$ 1.8 million for three years, following estimated costs of developing and running the initial management programmes of some US$ 300,000. The organization's External Auditor, however, has noted that this would only cover 180 managers and that the programme may need to be expanded and continued to train all existing and future managers. The potential cost of the programme has been estimated at about US$1 million per annum.[26]

38. In view of such costs, consideration might be given to expanding the role in this area of the United Nations System Staff College (UNSSC), whose potential in creating a common management culture across the United Nations organizations the Secretary-General has already stressed.[27] The Inspectors note that several organizations have in fact begun discussions with UNSSC to collaborate on a number of management development initiatives, including a high-level leadership programme for senior managers throughout the common system. The United Nations has also indicated that it is partnering with the UNSSC in a project entitled "results-based learning", which is intended to provide an evaluation model through which the impact and return on investment of training programmes can be assessed.

Benchmark 8

Managers are empowered through adequate training.

[25] See footnote 23 above.
[26] GB.286/PFA/14.
[27] See footnote 17 above, para. 188.

III. ACCOUNTABILITY

39. The Inspectors noted that one of the main concerns raised in respect of delegation of authority, particularly by the staff representatives in the various organizations, was that in the absence of effective accountability mechanisms, further empowerment of managers could result in arbitrary decision-making and the misuse of power in some cases.[28] As has been stated by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) of the General Assembly, "delegation of authority is not synonymous with abdication of responsibility".[29] The Secretary-General of the United Nations, for his part, has stressed that accountability for the use of resources is integral to an organizational culture of empowerment.[30] While there is therefore a strong consensus on the need for a robust and reliable system of accountability, there is not necessarily a shared understanding of what such a system is or implies.

40. In its Framework for Human Resources Management, the ICSC defines accountability as "a concept which implies taking ownership of all responsibilities and honouring commitments, delivering outputs for which the staff member has responsibility within prescribed time, cost and quality standards; operating in compliance with organizational regulations and rules; supporting subordinates, providing oversight and taking responsibility for delegated assignments; taking personal responsibility for personal shortcomings and where applicable, those of the work unit".[31]

41. Accountability can also be defined more simply as "the process in which A answers to B for Z (where Z has been prescribed by B and accepted by A)".[32] Unfortunately, the term "accountability" often has negative connotations in the United Nations system, although, if approached constructively, it can help create a climate conducive to experimentation, change and solutions, because people can count on one another to keep performance commitments and communication agreements and feel supported and trusted.[33]

42. In fact, it has been argued that what impacts most on how staff members are motivated and made most effective is not only competitive pay, not simply contractual arrangements, not even the performance appraisal system, the selection process or work/family arrangements, but organizational culture.[34] The Inspectors fully concur with this analysis and would further contend that the core element of a results-based organizational culture, the concept from which all others derive, is accountability.

43. The Inspectors consider the main elements of an accountability system to be: (i) responsibility and liability (ii) reporting, (iii) monitoring, and (iv) administration of justice. In respect of the first, once the cascade of expected results is established and each individual is aware of what and to whom he/she is accountable, each individual must be responsible and liable for the effective and efficient use of the resources allocated to carry out the tasks to implement the programmes and activities. The quality of performance in respect of assigned tasks and responsibilities, as reflected in the individual performance appraisal report, would be the yardstick for subsequent personnel actions, as discussed in Part III of this report. The

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[28] Judgment No. 914v of UNAT (Case 1022 GORDON/PELANNE) shows, for example, that the current accountability system does not ensure individual liability because it is discretionary (p.10, paras. IX and X).
[29] A/56/7, para. VIII.27.
[30] A/53/414, para. 6.
[31] Glossary for Human Resources Framework, A/55/30.
[32] OECD Public Management Service, "Accountability in public organizations – Changing accountability relations: Politics, Consumers and the Market", 1997.
[33] M. Samuel, "The Accountability Revolution", 2001.
[34] CEB Secretariat discussion paper, "The new paradigm for human resources", September 2003. The paper provides a definition for organizational culture as the pattern of shared beliefs, attitudes, assumptions, norms and values in an organization which may not have been articulated but in the absence of direct instructions, shape the way people act and interact and strongly influence the ways in which things get done.

second element refers to the obligation of all staff and managers at all levels, including the executive heads, to keep their supervisors systematically informed about the actions taken to carry out the mandated programmes and activities. The third element deals with the duties related to monitoring the actions taken by the supervisees in implementing the assigned tasks. And finally, any accountability mechanism must be supported by a reliable, effective, independent and fair administration of justice system.

What are the critical success factors for a system of accountability?

A. Legal framework

44. Once there has been a policy decision by an organization to shift to a system of results-based management, the pertinent regulations and rules, and related procedures and administrative instruments, should be reviewed and revised accordingly. The objective is to create a legal framework for the whole system of accountability including, in particular, the system of administration of justice.

Benchmark 1

A clear legal framework for the accountability system, including the system of administration of justice, is framed in relation to the results-based management system adopted.

B. Performance-oriented accountability

45. The term accountability is still too often understood in the United Nations system in the restrictive sense of compliance with financial rules, formal procedures and the use of funds, and oversight is therefore sometimes identified with traditional financial audits only. Thus, where there exist accountability committees, they most often deal exclusively with issues of financial probity. However, accountability should now also be associated with the achievement of results. Traditional accountability, blame-oriented, confrontational and focused on avoiding the negative, needs to be replaced by a new accountability, with a positive emphasis on guiding appropriate behaviour in managers and continuously encouraging them to perform, as described in a table originally published by the Organisation for Economic Co-operation and Development (OECD) and reproduced below.[35] Similarly, monitoring activities (see section F below) must provide strategic support to management and focus on results as well as compliance.

Redesigning the accountability framework		
Traditional Accountability		**Performance-based accountability**
Emphasis on avoiding negative functioning	**Perception**	Positive emphasis encouraging right action
Inspection	**Scope**	Guiding
Intermittent	**Timing**	Continuous
Reactive	**Role of controls**	Proactive
Maintenance	**Objective**	Adaptation

[35] OECD Public Management Service, "Issues and Perspectives: Performance-based accountability in Spain's public service", 1997.

Benchmark 2

Performance-oriented systems of accountability replace traditional, compliance-based systems.

C. Accountability at all levels

46. As previously noted by JIU, provided the vertical chain remains unbroken, delegation of authority can be implemented and accountability can be enforced because it can be traced through individuals down or up through an organization. The more diffuse the lines of accountability are, the more difficult it is to delegate authority and hold people to account.[36] It therefore follows that the most effective accountability mechanisms are those that are integral to the line management structure, and that the heads of major organizational units, whether such units are referred to as departments, clusters, offices or sectors or any other appellation, must be the first held to account for their results.

47. This in turn implies that the executive heads of secretariats must reach performance agreements of some kind with individual managers in senior positions. Many national public administrations, and several United Nations organizations, have moved towards instituting such periodic performance agreements for their senior managers, who are appraised based on a balanced set of measures that may include, in addition to programme results, customer satisfaction and the perspective of their staff. However, not all United Nations organizations have done so. In some secretariats, in fact, expectations of performance for posts at the highest level, for which even job descriptions are not always available, are not spelled out in any document. This may lead to a situation where accountabilities of senior managers are less clearly established than those of other staff at lower levels. The Inspectors wish to emphasize that everyone, including the executive heads and their senior staff, must be held accountable and it is therefore imperative that accountabilities for all officials be established in an unambiguous way. The accountability of senior managers should also ensure that recruitment, placement, reassignment and promotion decisions are based strictly on professional competence, and that political considerations, other than those expressly agreed and legislated on by the legislative organs, are not allowed to influence those decisions.

At the **United Nations**, starting in 2002, the Secretary-General put into effect a new instrument, the **programme management plan**, that requires the heads of departments to clearly define the goals and intended results they seek to achieve. These plans, spelling out the contributions the head of department will make to the organization together with measurable performance indicators for each objective, are supplemented in the area of human resources by action plans agreed upon by the head of the department and the Office of Human Resources Management, which include specific targets in key areas such as vacancy levels, geographic distribution, gender balance, mobility, performance management and staff development.[37]

Similarly, the secretariat of **UNESCO** plans to introduce biennial **performance agreements** for each sector, central service, division and field office, indicating the key results that the organizational unit will achieve during a given biennium, and which are intended to become central accountability mechanisms for staff at the D-1 level and above.

[36] See footnote 3 above.

[37] Reports of the Secretary-General on Accountability and responsibility, A/55/270, and on Human resources management reform, A/55/253.

At **UNHCR**, managers at headquarters and in the field sign "covenants" and "accountability agreements" with the Division of Resource Management outlining the scope and content of the authority delegated to them in the field of human resources or accounts processing, as well as their ensuing responsibilities.[38]

The **WFP** Secretariat has stated recently that it holds managers accountable for their efforts to improve the representation of women and individuals from under-represented countries. The introduction of results-based management has led to a requirement for managers to indicate in **performance plans** their approaches to recruitment issues and goals; they will be evaluated against these in annual performance reviews.[39]

Benchmark 3

Accountability is applicable at all levels, from the top down. The executive heads and the heads of major organizational units are therefore the first to be held accountable for the results they are expected to deliver.

D. Commitment of leadership

48. The Secretary-General of the United Nations established an Accountability Panel in 2000, and the Panel was widely publicized as an essential instrument to ensure accountability in the Secretariat. The exact purpose and functions of the Panel were set out as follows:

- Review the analysis of significant management issues and recommendations prepared annually by the Department of Management based on the reports of the internal and external oversight bodies;
- Identify actions required to remedy accountability issues raised;
- Identify actions required to remedy systemic management weaknesses, irregularities etc;
- Recommend appropriate remedies and monitor implementation.[40]

49. However, the Panel met only once; on that occasion, instead of looking at systemic issues of oversight observations as per its terms of reference, it concentrated on individual issues of fraud and mismanagement. The mandate of the Panel's members has now elapsed and it has not been reconstituted. It is regrettable that expectations created with the establishment of the Panel were not fulfilled, as its failure may have weakened the credibility of the whole accountability chain that was so carefully and meticulously designed for the Secretariat in the last decade. Decisions taken in March 2004 by the Secretary-General following the report of the Security in Iraq Accountability Panel, however, demonstrate his continued commitment to instituting a culture of accountability in the Secretariat, with direct consequences for those individuals whose responsibility was involved in failures identified by the Panel.

On 10 November 2003, the **Secretary-General of the United Nations** established the **Security in Iraq Accountability Panel** to undertake an independent audit and accountability procedure to review the responsibilities of all individuals and organizations/offices/entities involved in the security of the United Nations operation in Iraq. The Panel was to examine, in particular, how the actions or omissions of the staff of the United Nations headquarters in

[38] See footnote 3 above.
[39] WFP/EB.1/2004/4-B.
[40] Secretary-General's bulletin, ST/SGB/2000/14.

Baghdad might have prevented or mitigated the effect of the terrorist attack on the headquarters building in August 2003, or diminished the loss of life and injury to personnel.

In March 2004, having reviewed the Panel's findings and conclusions, the Secretary-General announced a series of measures, including calls for the resignation of a senior United Nations official and reassignment of others to positions which will no longer include any responsibility for security matters.

Benchmark 4

Unfaltering commitment of leadership.

E. Assessment of managerial competencies and achievement of results

50. While the achievement of quantifiable results can be measured if adequate indicators have been designed, accurately assessing the extent to which managers have displayed the desirable competencies in the use of their human resources is more delicate. Many organizations have established "360-degree feedback" mechanisms for managers, which can include measures of the quality of the work environment and the leadership of the programmes and may be provided by staff supervised by managers, their peers and/or their respective direct supervisor. Although the feedback mechanism is sometimes addressed within the framework of management development programmes (for instance at the United Nations and WFP), some organizations use it as an integral part of the formal appraisal system. Others caution that using 360-degree feedback for performance appraisal may undermine the purpose of the process, and that responses can reflect general dissatisfaction not related to the manager being rated. However, all agree on the general usefulness of this "upward feedback" mechanism to improve communications between supervisors and their staff.

51. Opinions also differ as to whether participants in the 360-degree evaluation process must be chosen randomly to avoid the manager influencing the process and should be allowed to retain anonymity (an option favoured by most, as anonymity is seen as important to achieve a high response rate). In either case, it is important that action be taken on the results of the feedback, so as to ensure the continued credibility of the exercise.

At **UNDP**, the results and competency assessment (RCA) introduced in 2000 took results-based management to the level of the individual staff member and strengthened the concept of **two-way accountability between staff and managers** by introducing **360-degree feedback**. By the end of 2001, 255 senior staff had gone through the 360-degree feedback exercise (117 at headquarters and 138 in country offices). The Administrator indicates that the introduction of the 360-degree feedback system was specifically designed to strengthen performance and accountability, and that a more systematic performance rating of all managers has been introduced that draws on balanced scorecard information, corporate surveys and results-oriented annual reports.[41]

At the **World Bank**, the **360-degree feedback** serves as input into the assessment of managerial behaviour undertaken as part of the **Overall Performance Evaluation**, the institutional framework for performance discussions and evaluation.

[41] DP/2002/CRP.2 and DP/2003/CRP.8.

Benchmark 5

Accountability is based on the assessment not only of the degree of achievement of expected results, but also of the managerial competencies demonstrated in the achievement of these results, as measured for instance through a 360-degree feedback mechanism.

F. Monitoring systems

52. The Secretariat of the United Nations provides a useful definition of monitoring as the "process of tracking and verifying, on an ongoing basis, a number of pre-selected, well-defined outputs and results, together with the processes through which those results have been obtained, with the aim of securing current, valid and relevant information on work in progress".[42] As organizations move towards results-based management, the monitoring function, and associated reporting activities, becomes an integral part of all activities (see Part I of this report). This is particularly true of human resources management where the need for improved monitoring capacities is widely acknowledged as key to the successful implementation of a sound accountability framework. In fact, the Inspectors have noted a shift in the role, expressed or implied, of human resources services in many of the organizations they have visited, with new emphasis placed on monitoring rather than direct administration of staff.

53. It is important, however, that this be accompanied by another paradigm shift in the perceived nature of the monitoring function itself, which should be seen as much as "guiding" as "controlling", and should focus on results as much as compliance. Thus, monitoring activities must provide strategic support to management and should not lead to excessive reporting requirements, nor should they add a layer of oversight.

54. In addition, while effective monitoring requires dedicated resources, such resources are not always available, especially for monitoring human resources decisions taken by managers in field offices. The Inspectors concur with the assessment made by OIOS, therefore, that monitoring must be carefully "targeted" to areas that are vital to the organizations, and that "exception reporting", based on a risk management strategy, would increase efficiency in monitoring compliance with human resources policies, regulations and rules, guidelines, procedures and practices.[43] The implementation of new management information systems in the field of human resources, in organizations that are still relying on outdated multiple applications rather than integrated systems, should also considerably increase and facilitate reporting on and monitoring of human resources policies, as well as enhance transparency in transactions.

The Office of Human Resources Management of the United Nations has established a **Planning and Monitoring Section** in its Operational Services Division, whose functions include:

- monitoring and review of all personnel actions related to standard human resources administration;
- provision of assistance to departments and offices in solving problems; delivery of a more efficient and rapid application of the human resources rules;
- provision of assistance in organizing self-monitoring; and

[42] A/57/276, para. 6.
[43] A/57/726, para. 55.

- conduct of approximately 100 formal monitoring meetings with departments, offices and peacekeeping and special political missions over the current biennium.[44]

While the resources allocated to the Section (four Professional-level posts) may seem scarce for its ambitious terms of reference,[45] the Inspectors consider its establishment and the careful elaboration of a strategy to build a more comprehensive monitoring system[46] as significant first steps that could be usefully replicated in other organizations.

55. Another methodological issue of importance for monitoring activities is their periodicity. Monitoring is often carried out too late for corrective action to be taken. It is essential that shortcomings noted in the implementation of agreed plans and targets be analysed on a continuous basis and reflected in planning for the next cycle. It is particularly important that each new delegation of authority be the subject of monitoring in the months following its introduction.

After delegating authority for the management of locally recruited staff to the field in 1999, **UNHCR** carried out missions to more than 20 countries in the same year to monitor the process of delegation.[47]

At the **United Nations**, the Department of Management has developed a tool (the **key item management reporting system** or KIMRS) that presents managers with critical indicators to provide online, **real-time information** on management performance and alerts them to any deviation from planned timelines and other targets, including for human resources. This reporting system also aims at benchmarking against organization-wide averages. KIMRS uses existing information systems, such as IMIS and Galaxy, for real-time data, which it synthesizes to present indicators that enable a manager to focus on areas that require action.

Benchmark 6

Effective monitoring systems are in place.

G. Oversight

56. Although the main focus of monitoring activities must shift to results, there must be awareness and careful assessment of the risks implied in increased delegation of authority, which must also be accompanied by strengthened measures to prevent, inter alia, fraud and misuse of funds. Thus, UNICEF, which was at the forefront of delegating authority to programme managers in the field, was faced with serious control issues when 25 of its staff in a country office, including the resident representative, had to be separated. Under RBM, managers are delegated wide-ranging authority over the human resources they manage, increasing the potential risks of abuse of that authority. The organizations should thus verify whether or not the existing oversight and control mechanisms are adequate in terms of

[44] A/57/276 and A/58/6, Section 29C.
[45] See ACABQ comments in A/58/7, para. VIII.36.
[46] As described in document A/57/276.
[47] UNHCR Global Report 1999, Organizational Development and Management.

independence, mandate, reporting structure, and staffing and professional strength to cope with the exigencies of results-based management, and take corrective action if required.[48]

57. Beyond the mere verification of the adequacy of existing control mechanisms to prevent potential abuses of newly delegated authority, efforts must also be undertaken to strengthen the ethical behaviour of staff at all levels, but particularly of senior managers. Therefore, the formulation, dissemination and enforcement of codes of conduct and ethical standards must become one of the organizations' strategic priorities in the development of a culture of accountability.

The **ICSC** adopted "**Standards of Conduct for the International Civil Service**" in 2001, which were welcomed by the General Assembly in its resolution A/RES/56/244 of 24 December 2001. To ensure that all United Nations staff were aware of the standards of conduct, they were disseminated in a bulletin by the Secretary-General in 2002, along with the relevant provisions of the Charter and the Convention on Privileges and Immunities concerning the status, basic rights and duties of staff members, with commentary, and the relevant staff regulations and rules, also with commentary.[49]

At the **United Nations, an Organizational Integrity Initiative** (OII) was launched in 2003. The Initiative is a collaborative effort, spearheaded by OIOS with United Nations Departments, Funds and Programmes. The Initiative is aimed at strengthening the understanding of managers and staff of their obligations and responsibilities with regard to integrity and professional ethics. As part of the Initiative, an Integrity Perception Survey was conducted by independent, external consultants to gauge the perceptions and attitudes of staff regarding integrity and ethics training was provided to a number of senior managers.

The **Code of Conduct** of **UNHCR** is "intended to serve as an illustrative guide for staff to make ethical decisions in their professional lives…". It sets out core values and guiding principles, as well as a statement of commitment by the individual staff member.

The Director-General of **WHO** is in the process of framing a **new policy of Fraud Prevention**, aimed in particular at preventing increase in frauds that may occur in field offices as a result of new delegation of authority to them. Initial steps have been taken with the issuance of guidance to all offices. Fraud-awareness sessions have also been held with senior staff, including WHO Country Representatives.[50]

The Director-General of **UNIDO** has also indicated his intention to develop a fraud prevention strategy in the framework of the organization's medium-term programme for 2004-2007.

58. There should be easily accessible channels for staff, including those in the field, to report instances of fraud, unethical conduct, the misuse of funds and other types of abuse. Staff making such reports should be offered effective protection from possible reprisals.

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[48] See JIU report "More coherence for enhanced oversight in the United Nations system" (JIU/REP/98/2).
[49] United Nations Secretary-General's bulletin, ST/SGB/2002/13.
[50] Report of the Internal Auditor, EBAC9/3 Add.1, December 2003.

Benchmark 7

Strong oversight systems exist.

H. Administration of justice

59. JIU has addressed on several occasions the issue of administration of justice in the United Nations system, as has ACABQ.[51] The General Assembly has now requested JIU to review the specific subject of the harmonization of the statutes of the United Nations Administrative Tribunal (UNAT) and the ILO Administrative Tribunal (ILOAT), which is the subject of a separate report.[52] The present report, therefore, does not address in depth the complex issue of the administration of justice in the United Nations organizations. However, the Inspectors wish to stress a few points that are key to the system of administration of justice becoming an essential element in the establishment of genuine accountability, as called for by the ACABQ. They wish to share their concern, derived from their interviews with officials and staff representatives, that there has been a deterioration in the functioning of the system over the years, which has impacted negatively on staff motivation as well as on the significant costs borne by United Nations organizations.

60. In the narrowest sense, administration of justice is generally regarded as the litigation process. It is important, however, that its broader meaning be addressed, one that includes the pre-litigation process and the appropriate management of staff. The system should aim at facilitating the early resolution of disputes before recourse to the formal litigation process, through the incremental use of the following stages: (i) early attempts at reconciliation between manager and staff member through bilateral, face-to-face discussions; (ii) mediation; (iii) administrative review; (iv) examination by appeal bodies; and (v) the litigation process.

61. It is possible that a full implementation of results-based management, and in particular of new performance management systems, coupled with new pay-for-performance systems, may lead in the first phase to a significant increase in the number of appeals. Determined efforts to speed up the current processes for the handling of these appeals, but also to ensure through increased conciliation and mediation that the numbers reaching the litigation stage are contained to a reasonable level, should therefore be undertaken. Mediation should be encouraged, and the Inspectors support the reinforcement of the informal conciliation, mediation and negotiation functions.

> The following organizations have in recent years established an **Ombudsman** function: the **United Nations, UNICEF, UNDP** (also for **UNFPA** and the **United Nations Office for Project Services (UNOPS),** the **International Civil Aviation Organization (ICAO), ILO, WFP** and **WHO** as have the **World Bank** and the **International Monetary Fund (IMF). WIPO** is in the process of establishing the terms of reference for an Ombudsman.
>
> For their part, **UNHCR, UNESCO** and **ITU** have designated **Mediators.** Particularly noteworthy is the use by the **IMF** of an **External Mediator**.

62. As the box above suggests, there is potential for confusion in the use of the terms "ombudsman" and "mediator", and the Inspectors have found that while in some organizations the terms are synonymous, in others they carry quite different meanings. The staff representatives, in particular, see the ombudsman function in terms of a "watchdog",

[51] JIU/REP/2002/5, JIU/REP/2000/1, and A/57/736.
[52] General Assembly resolution 57/307.

accumulating information on staff–management relations and providing feedback to the highest levels of management with a view to promoting changes in management culture, whereas the mediation function is concerned with resolving conflict between an individual staff member and his/her supervisor(s). They are of the view that organizations should have both an ombudsman and mediator(s). This approach is in line with the recommendation of a recent JIU report which examined informal internal recourse procedures in the organizations of the United Nations system and recommended that every organization that had not yet done so should establish an independent, central ombudsman function performed by a senior official appointed by the executive head, in consultation with the staff representatives, for a single non-renewable five-year term, and complemented, at every major duty station, by a person or a panel responsible on a part-time basis for informal conciliation, mediation and negotiation functions under the overall guidance and supervision of the ombudsman.[53]

63. In the national context, arbitration is also commonly used, with the parties involved agreeing to submit themselves to the binding decisions of the arbitrator. In the United Nations system, as described above, mediation is favoured in the pre-litigation process, with the neutral mediator facilitating the reaching of a non-binding agreement by the opposing parties. Because it is binding, arbitration can serve as an alternative to litigation and, if used in the United Nations system, it might reduce costs and ease the backlog of tribunals. While the Inspectors are not at this stage making a formal suggestion, such an alternative should be further explored.

64. The structure, scope and authority of the system of administration of justice should be sufficient to ensure accountability and compliance with mandates, policies, regulations and rules. However, because of a lack of transparency and professionalism, the present internal justice system of the United Nations system is widely regarded as incapable of assuming this function. In a national system of jurisprudence, illegal actions and their attendant consequences are listed in statutes approved by the relevant policy-making or legislative bodies. In contrast, in the United Nations system the staff regulations and rules and financial regulations and rules deal with the issues of misconduct and disciplinary measures in a rather cursory manner. Some elaboration is provided in cases involving financial impropriety, though it is still vague. As a consequence, little guidance is provided to entities set up to deal with such cases (joint appeals committees, boards, etc.), which must often act as both the jury and the judge and not only determine whether a manager or staff member failed to uphold the standards and rules of an organization but also make recommendations on ensuing penalties.

65. The Inspectors also believe that there is a need to better ensure the independence of the system of administration of justice, and that measures need to be taken to streamline the appeal process and disciplinary machinery. In particular, consideration might be given by organizations to the streamlining of current appeal mechanisms, by, inter alia, offering a single channel for appeals related to staff performance, regardless of their nature (appraisal rebuttals, appeals against administrative decisions, etc.) and to strengthening the professionalism and independence of the members of appeal bodies (for instance by including persons who are not staff members of the organization concerned). It is likely that such reforms would result in an overall reduction in costs.

66. Recent reforms have already brought some improvements to the system of administration of justice. For example, the United Nations General Assembly decided, in resolution A/RES/57/307, that an external lawyer could be appointed by a staff member to assist him/her in a litigation process, bringing an additional measure of independence to the system, though possibly at the risk of increasing the number of cases and hence costs. The Inspectors believe, however, that much more needs to be done, including a review of staff rules that give rise to an inordinate number of appeals, and strengthening the internal appeals bodies to enhance

[53] JIU/REP/2002/5, recommendation 2.

their independence. They are also of the view that the administrative tribunals should identify frivolous applications and impose financial penalties on the party/parties concerned (a reasonable percentage of salary), and that this should be recorded in the performance evaluation of the individual(s) concerned. The performance of managers whose decisions give rise to numerous successful appeals by different staff should also be carefully reviewed.

67. The Inspectors also wish to draw attention to the General Assembly's advice that clear linkages must be established between the administration of justice and responsibility and accountability in secretariats when decisions of the administrative tribunal result in losses to the organization due to management irregularities. The General Assembly has requested the Secretary-General to develop, as a matter of priority, an effective system of personal responsibility and accountability to recover financial losses to the Organization caused by management irregularities, wrongful actions or gross negligence of officials of the United Nations Secretariat that result in judgements of the Administrative Tribunal.[54]

68. In this regard, the Secretariat of the United Nations has informed the Inspectors that a draft administrative instruction has been prepared for implementation of staff rules 112.3, 212.2 and 312.2, as well as financial rule 101.2 on financial responsibility of staff members. Amendments to staff rules 110.5, 110.6 and 110.7 that would extend the competence of the joint disciplinary committee to advise in matters pertaining to financial responsibility for gross negligence will be reported to the General Assembly at its 59th session.

69. Managers must be encouraged to seek advice from central support services, and when disputes arise as a result of the managers' discharge of their responsibilities, they must be assured that once human resources central services have determined that the managers have acted properly and within the constraints imposed on them, they will be entitled to full support from these central services as well as oversight bodies. In these circumstances, all appeals should be handled primarily by Human Resources services, relieving the managers of involvement in protracted and time-consuming deliberations of the appeals machinery. Thus, while managers should be held accountable for ill-founded decisions, Human Resources central services should equally be held accountable for providing appropriate advice and guidance to them and consistently monitoring their decisions, as the risk of rules being misinterpreted is clearly a function of the quality of services provided by such central units.

Benchmark 8

A transparent, swift, independent and equitable system of administration of justice is in place.

[54] See footnote 53 above.